

EXHIBIT 1

**Saint Thomas Outpatient Neurosurgical Center
4230 Harding Pike, Suite 901
Nashville, TN 37205**

October 16, 2012

New England Compounding Center
701 Waverly Street
Framingham, MA 01702

Re: Breach of Warranty

Dear Sir or Madam:

This letter provides notice that Saint Thomas Outpatient Neurosurgical Center hereby revokes acceptance of *all* products sold to it by New England Compounding Center ("NECC"). This notice is specifically provided pursuant Tennessee Code Annotated § 47-2-607(a) and other applicable provisions. NECC has breached the warranty of merchantability and fitness for goods provided. The products supplied by NECC have deficit(s) that substantially impair the value, fitness, and merchantability of the goods.

Specifically, the below listed goods have been recalled and/or are no longer fit for use/sale due to contamination or suspected contamination. The delivered goods did not meet the minimum requirements expected by health care providers and have been recalled or restricted in use by federal and state authorities. Additionally, NECC was aware that Saint Thomas Outpatient Neurosurgical Center intended to utilize these goods in the care of patients and represented that the goods were fit for that purpose.

Thus, Saint Thomas Outpatient Neurosurgical Center (1) revokes acceptance, (2) places NECC on notice of its revocation, (3) places NECC on notice of its intent to assert claims for breaches of warranty of fitness and merchantability and pursue any remedies available to it, and (4) demands return of payment for *all* goods purchased from NECC, specifically, but not limited to:

1. Methylprednisolone Acetate (PF) 80 mg/ml Injection, Lot #05212012@68, BUD 11/17/2012
2. Methylprednisolone Acetate (PF) 80 mg/ml Injection, Lot #06292012@26, BUD 12/26/2012
3. Methylprednisolone Acetate (PF) 80 mg/ml Injection, Lot #08102012@51, BUD 2/6/2013.

If you have any questions, please contact us.

Sincerely,



Gregory B. Lanford, MD
Chairman of the Board
St. Thomas Outpatient Neurosurgical Center

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